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TO: Arun Sinha

DATE: May 15, 1995

FROM: Karen Miller

SUBJECT: Basic Image Study Augment Recommendation

As we discussed, Marlboro and Basic are implementing a 3 month price promotion program in Region 52, a GPC stronghold. Specifically, Marlboro is initiating a $.20- $.25 price reduction and a point-of-sale drive in Retail Masters Outlets, while Basic is going to meet GPC pricing in Retail Masters Outlets, as well as in non-Retail Masters Mega Volume Outlets. The on-going Basic Image Study provides a solid base of consumer information in Arizona for several months prior to the start of this promotion. I recommend augmenting the sample for the study in Arizona to 100 per month in order to provide a read on imagery of Basic and GPC there. Additionally, I recommend adding interviews in Colorado (100/month) to increase our learning in Section 52, as well as augmenting San Antonio to 100/month to provide a reading on Basic's National Promotion Plan in another strong GPC market. (Note: In Section 52 the National Plan will run only in Nevada.) If you agree, I'd start the additional interviews in June, and run them for four months, which would give us two full months after the end of the buy downs.

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